
LOCAL GOVERNMENT

LG301

Local Government Act 1995

**Local Government Regulations Amendment
(Auditing) Regulations 2018**

Made by the Governor in Executive Council.

Part 1 — Preliminary**1. Citation**

These regulations are the *Local Government Regulations Amendment (Auditing) Regulations 2018*.

2. Commencement

These regulations come into operation as follows —

- (a) Part 1 — on the day on which these regulations are published in the *Gazette* (*gazettal day*);
- (b) regulations 13 and 14 — on 1 July 2018;
- (c) the rest of the regulations — on the day after gazettal day.

**Part 2 — Local Government (Audit)
Regulations 1996 amended****3. Regulations amended**

This Part amends the *Local Government (Audit) Regulations 1996*.

4. Regulation 3 amended

In regulation 3 delete the definition of *Australian Accounting Standards*.

5. Regulation 8 amended

In regulation 8(1):

- (a) in paragraph (a) delete “Executive Director —” and insert:

Departmental CEO —

- (b) in paragraph (b) delete “Executive Director” and insert:

Departmental CEO

Note: The heading to amended regulation 8 is to read:

Departmental CEO to be notified of termination of audit agreement

6. Regulation 9 replaced

Delete regulation 9 and insert:

9. Performance of audit

- (1) In this regulation —

Australian Accounting Standards means the standards made and amended from time to time by the Australian Accounting Standards Board continued under the *Australian Securities and Investments Commission Act 2001* (Commonwealth) section 261.

- (2) An auditor must carry out an audit in accordance with the Australian Auditing Standards made or formulated and amended from time to time by the Auditing and Assurance Standards Board established by the *Australian Securities and Investments Commission Act 2001* (Commonwealth) section 227A.

- (3) An auditor must carry out the work necessary to form an opinion whether the annual financial report —
- (a) is based on proper accounts and records; and
 - (b) fairly represents the results of the operations of the local government for the financial year and the financial position of the local government at 30 June in accordance with —
 - (i) the Act; and
 - (ii) the Australian Accounting Standards (to the extent that they are not inconsistent with the Act).

9A. CEO to provide documents to Auditor General carrying out financial audit

- (1) In this regulation —

audit document means —

- (a) the strategic community plan as defined in the *Local Government (Administration) Regulations 1996* regulation 19BA; or
- (b) the corporate business plan as defined in the *Local Government (Administration) Regulations 1996* regulation 19BA; or

- (c) another plan or informing strategy specified by the Auditor General; or
 - (d) another document specified by the Auditor General.
- (2) The CEO must provide a copy of an audit document to the Auditor General within 14 days after the Auditor General requests it for the purposes of a financial audit under Part 7 Division 3A of the Act.

7. Regulation 13 amended

- (1) In regulation 13 in the Table under the heading “*Local Government Act 1995*” after “s. 5.88” insert:

s. 5.89A

- (2) In regulation 13 in the Table under the heading “*Local Government (Administration) Regulations 1996*” after “r. 19” insert:

r. 19C

r. 19DA

8. Regulation 15 amended

In regulation 15(1) delete “Executive Director” and insert:

Departmental CEO

Note: The heading to amended regulation 15 is to read:

Certified copy of compliance audit return and other documents to be given to Departmental CEO

9. Regulation 16 replaced

Delete regulation 16 and insert:

16. Functions of audit committee

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;

- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the *CEO's report*) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and
 - (ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

10. Regulation 17 amended

In regulation 17(2) delete "at least once every 2 calendar years." and insert:

not less than once in every 3 financial years.

Part 3 — *Local Government (Financial Management) Regulations 1996* amended

11. Regulations amended

This Part amends the *Local Government (Financial Management) Regulations 1996*.

12. Regulation 5 amended

In regulation 5(2)(c) delete “4” and insert:

3

13. Regulation 17A amended

(1) In regulation 17A(1) insert in alphabetical order:

carrying amount, in relation to an asset, means the carrying amount of the asset determined in accordance with the AAS;

(2) Delete regulation 17A(4) and (5) and insert:

(4) A local government must revalue an asset of the local government —

(a) whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and

(b) in any event, within a period of at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued.

(5) An asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5 000.

14. Regulation 17B inserted

After regulation 17A insert:

17B. CEO to take steps to protect excluded portable and attractive assets

A CEO must take all reasonable steps to prevent the theft or loss of —

(a) a non-consumable asset that is susceptible to theft or loss due to its portable nature and attractiveness for personal use or resale; and

(b) an asset referred to in regulation 17A(5).

15. Schedule 2 amended

In Schedule 2 Form 1:

- (a) delete “being the annual financial report and supporting notes and other information for the financial year ended 30 June ⁽³⁾ are in my opinion properly drawn up” and insert:

for the financial year ended 30 June ⁽³⁾ is based on proper accounts and records

- (b) delete “the *Australian Accounting Standards* and comply with the provisions of the *Local Government Act 1995* and the regulations under that Act.” and insert:

the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

N. HAGLEY, Clerk of the Executive Council.